

ASSOCIATION OF NEW JERSEY  
ENVIRONMENTAL COMMISSIONS  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

ASSOCIATION OF NEW JERSEY  
ENVIRONMENTAL COMMISSIONS  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Association of New Jersey Environmental Commissions

### **Report on Financial Statements**

I have audited the accompanying financial statements of the Association of New Jersey Environmental Commissions (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of New Jersey Environmental Commissions as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the Association of New Jersey Environmental Commissions adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope of the Accounting guidance for Contributions Received and Contributions Made*. My opinion is not modified with respect to this matter.

James M. Wood, CPA

November 12, 2020  
Hillsborough, NJ

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash & cash equivalents	\$ 629,226	\$ 108,499
Investment securities	262,155	754,916
Accounts receivable	76,184	40,116
Total financial assets	<u>967,565</u>	<u>903,531</u>
Prepaid expenses & other current assets	2,223	2,170
Total current assets	<u>969,788</u>	<u>905,701</u>
Furniture & equipment, net	<u>5,305</u>	<u>8,650</u>
	<u>\$ 975,093</u>	<u>\$ 914,351</u>
<b>Liabilities &amp; Net Assets</b>		
Current liabilities		
Accounts payable & accrued expenses	\$ 54,497	\$ 37,452
Grants received in advance	-	217,228
	<u>54,497</u>	<u>254,680</u>
Net assets		
Without donor restrictions		
Board-designated	106,405	-
Undesignated	615,557	580,138
	<u>721,962</u>	<u>580,138</u>
With donor restrictions	198,634	79,533
	<u>920,596</u>	<u>659,671</u>
	<u>\$ 975,093</u>	<u>\$ 914,351</u>

See accompanying notes to financial statements.

**ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>Support &amp; Revenue</b>				
Grants	\$ 412,692	\$ 337,779	\$ 750,471	\$ -
Membership dues	86,700	-	86,700	-
Educational activities	20,685	-	20,685	-
Publications	311	-	311	-
Contributions	174,405	4,000	178,405	-
Interest	694,793	341,779	1,036,572	-
Board-designated investment return	5,940	620	6,560	1,240
Other	7,002	-	7,002	-
	273	-	273	-
	<u>708,008</u>	<u>342,399</u>	<u>1,050,407</u>	<u>1,240</u>
Net assets released from restriction	223,298	(223,298)	-	(2,638)
Total support & revenue	<u>931,306</u>	<u>119,101</u>	<u>1,050,407</u>	<u>(1,398)</u>
<b>Functional Expenses</b>				
Program services				
Program	586,377	-	586,377	-
Environmental group coordination	49,205	-	49,205	-
Supporting services	635,582	-	635,582	-
Management & general	189,222	-	189,222	-
Fund raising	84,289	-	84,289	-
	273,511	-	273,511	-
Total functional expenses	<u>909,093</u>	<u>-</u>	<u>909,093</u>	<u>-</u>
Increase (decrease) in net assets before investment income (loss)	22,213	119,101	141,314	(1,398)
Investment income (loss)	119,611	-	119,611	(39,107)
Increase (decrease) in net assets	141,824	119,101	260,925	(74,139)
Net assets				
Beginning of year	580,138	79,533	659,671	80,931
End of year	<u>\$ 721,962</u>	<u>\$ 198,634</u>	<u>\$ 920,596</u>	<u>\$ 79,533</u>
			<u>\$ 580,138</u>	<u>\$ 80,931</u>
			<u>\$ 712,202</u>	<u>\$ 712,202</u>
			<u>\$ 443,305</u>	<u>\$ 443,305</u>
			<u>\$ 84,875</u>	<u>\$ 84,875</u>
			<u>\$ 19,470</u>	<u>\$ 19,470</u>
			<u>\$ 404</u>	<u>\$ 404</u>
			<u>\$ 149,321</u>	<u>\$ 149,321</u>
			<u>\$ 697,375</u>	<u>\$ 697,375</u>
			<u>\$ 7,207</u>	<u>\$ 8,447</u>
			<u>\$ 6,380</u>	<u>\$ 6,380</u>
			<u>\$ 2,638</u>	<u>\$ 2,638</u>
			<u>\$ 713,600</u>	<u>\$ 713,600</u>
			<u>\$ 528,065</u>	<u>\$ 528,065</u>
			<u>\$ 140,075</u>	<u>\$ 140,075</u>
			<u>\$ 80,492</u>	<u>\$ 80,492</u>
			<u>\$ 220,567</u>	<u>\$ 220,567</u>
			<u>\$ 748,632</u>	<u>\$ 748,632</u>
			<u>\$ (35,032)</u>	<u>\$ (36,430)</u>
			<u>\$ (39,107)</u>	<u>\$ (39,107)</u>
			<u>\$ (74,139)</u>	<u>\$ (75,537)</u>
			<u>\$ 654,277</u>	<u>\$ 654,277</u>
			<u>\$ 80,931</u>	<u>\$ 80,931</u>
			<u>\$ 920,596</u>	<u>\$ 920,596</u>
			<u>\$ 580,138</u>	<u>\$ 79,533</u>
			<u>\$ 79,533</u>	<u>\$ 79,533</u>
			<u>\$ 735,208</u>	<u>\$ 735,208</u>
			<u>\$ 659,671</u>	<u>\$ 659,671</u>

See accompanying notes to financial statements.

**ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019				2018				
	Program Services		Support Services		Program Services		Support Services		
	Program	Environmental Group Coordination	Administration	Fund Raising	Program	Environmental Group Coordination	Administration	Fund Raising	
Salaries & fringe benefits	\$ 392,133	\$ 36,878	\$ 151,428	\$ 72,768	\$ 362,771	\$ 47,546	\$ 105,692	\$ 70,666	\$ 586,675
Occupancy	10,711	1,007	4,137	1,988	10,980	1,439	3,199	2,139	17,757
Equipment	384	-	708	96	384	-	529	96	1,009
Telephone	5,063	476	1,955	940	4,091	536	1,192	797	6,616
Website	4,385	412	1,693	815	-	-	-	-	-
Supplies, postage & printing	16,460	202	2,255	3,346	16,187	217	3,979	3,575	23,958
Publications & materials	367	28	30	-	1,317	28	89	-	1,434
Consultants	80,952	7,634	8,666	450	18,043	1,523	10,553	660	30,779
Workshops	29,036	623	1,007	100	17,938	826	1,509	-	20,273
Municipal grants	21,950	-	-	-	24,259	-	-	-	24,259
Lobbying	-	-	10	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	1,200	-	1,200
Travel	13,429	1,518	6,810	2,294	6,856	1,461	1,726	992	11,035
Projects	6,963	-	-	-	6,925	-	-	-	6,925
Other	1,917	180	9,509	1,004	1,409	41	9,560	1,001	12,011
Depreciation	2,627	247	1,014	488	2,907	381	847	566	4,701
	<u>\$ 586,377</u>	<u>\$ 49,205</u>	<u>\$ 189,222</u>	<u>\$ 84,289</u>	<u>\$ 474,067</u>	<u>\$ 53,998</u>	<u>\$ 140,075</u>	<u>\$ 80,492</u>	<u>\$ 748,632</u>

See accompanying notes to financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 260,925	\$ (75,537)
Adjustments to reconcile increase (decrease) in net assets to cash used in operating activities		
Depreciation	4,376	4,701
Loss (gain) on investment securities	(119,611)	39,107
(Increase) decrease in:		
Accounts receivable	(36,068)	(22,415)
Prepaid expenses & other current assets	(53)	67
Increase (decrease) in:		
Accounts payable & accrued expenses	17,045	7,348
Grants received in advance	(217,228)	(10,411)
	<u>                    </u>	<u>                    </u>
Cash used in operating activities	(90,614)	(57,140)
 <b>Cash flows from investing activities</b>		
Proceeds from sale of investment securities	890,301	276,193
Acquisition of investment securities	(277,929)	(244,703)
Acquisition of furniture & equipment	(1,031)	-
	<u>                    </u>	<u>                    </u>
Cash provided by investing activities	611,341	31,490
 Increase (decrease) in cash & cash equivalents	520,727	(25,650)
 Cash & cash equivalents, beginning of year	<u>108,499</u>	<u>134,149</u>
 Cash & cash equivalents, end of year	<u>\$ 629,226</u>	<u>\$ 108,499</u>

See accompanying notes to financial statements.



ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

(1) **Summary of Significant Accounting Policies**

*Nature of activities*

The Association of New Jersey Environmental Commissions (ANJEC) is a private, not-for-profit organization which exists to promote the public interest in long-term natural resource protection and sustainable development by establishing environmental commissions and educating local officials and concerned citizens. Founded in 1969, ANJEC provides professional guidance, research and training services to the municipal environmental commissions in the State of New Jersey. ANJEC assists local environmental commissions in fulfilling their municipal responsibilities.

ANJEC serves as a liaison among local environmental commissions and between state and federal agencies. This role is fulfilled through: publishing a quarterly journal, newsletters, manuals, and alerts; conducting training courses; maintaining a library, reference service and a comprehensive web site; and providing pass-through grants to municipalities with environmental commissions.

*Basis of presentation*

In accordance with generally accepted accounting principles in the United States, ANJEC reports its statements of financial position and activities on the accrual basis of accounting according to two classes of net assets: without donor restrictions and with donor restrictions. Revenue with donor restrictions which is expended in the year of recognition is presented as without donor restrictions for financial statement presentation.

*Contributions*

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed conditions.

*Grants*

Grants received from foundations are treated as contributions and are recorded as without or with donor restrictions depending on the nature of any donor imposed conditions. Grants which are conditional in nature are recognized when the underlying conditions are substantially satisfied.

*Grants received in advance*

Prior to 2019 and the adoption of ASU No. 2018-08, grants were recorded as revenue during the period for which the funds were intended and in which the related services or projects were performed. Amounts received in advance were deferred into the designated period. Grants are defined as the receipt of funds where the grantor expects provision of certain services of a commensurate value.

*Revenue*

Revenue is derived primarily from foundational grants, charitable contributions, and membership dues. Additional revenue is earned through educational programs and publications.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
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*Investment securities*

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Investments consist of exchange-traded funds, preferred stock, and equity securities.

It is the intent of ANJEC's trustees to reinvest earnings, including dividends, recognized gains and unrealized gains, derived from mutual funds and equity securities. Interest earnings from deposit accounts and debt securities are intended for use in operating activities.

*Functional expenses*

Expenses are charged to each program or cost center based on direct expenditures incurred. Any expenses not directly chargeable are allocated to programs based on applicable rates determined by management.

*Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash & cash equivalents*

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash and other highly liquid cash instruments (money market accounts).

*Concentrations of credit and market risk*

Cash, and cash equivalents

Concentrations of credit and market risk exist in ANJEC's holdings of cash and money market funds. Cash is placed at high-quality financial institutions, and credit exposure is limited at any one institution. ANJEC has not experienced any losses on these items, and there is no significant concentration of market risk inasmuch as said investments and deposits are adequately diversified among issuers.

Investment securities

Investment securities are carried at fair value and are subject to market fluctuations. ANJEC has experienced gains and losses on these items, and has planned a diversified investment portfolio to mitigate market risks and fluctuations. However, future losses may be incurred in the event of a decline in fair values of these securities.

Grant revenue

ANJEC receives approximately 64% of its revenue from grants from various foundations, with no single grant representing more than 11% of total revenue.

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*Fair value of financial instruments*

Financial instruments are carried at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined using three levels of inputs:

- Level 1 Valuations based on quoted prices in active markets for identical assets.
- Level 2 Valuations based on one or more quoted price for investments that are not exchange traded but for which all significant inputs are observable.
- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurements.

The following valuation techniques are used for assets measured at fair value:

Cash equivalents - Cash equivalents consist of money market funds. The carrying value approximates fair value due to its short term nature and is classified as Level 1.

Exchanged-traded funds - Investments in exchange-traded funds are measured at fair value using quoted market prices and are classified as Level 1.

Mutual funds - Investments in mutual funds are measured at fair value using quoted market prices and are classified as Level 1.

Equity securities - Investments in equity securities are measured at fair value using the quoted market prices and are classified as Level 1.

*Accounting for uncertainty in income taxes*

ANJEC's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require accrual or which could affect its liquidity or future cash flows. ANJEC's exempt organization filings for the years ended December 31, 2016 through 2019 are subject to examination by the Internal Revenue Service and the State of New Jersey. Further, the Internal Revenue Service may examine ANJEC's financial activities for income and unrelated business income tax for those years.

*New accounting pronouncements*

The Financial Accounting Standards Board (FASB) issued Update No. 2016-02, *Leases* (Topic 842), in February 2016. Under this guidance lessees are required to record most leases on their balance sheets but recognize expenses in the income statement. All entities will classify leases to determine how to recognize lease-related revenue and expense. In applying this guidance, entities must also determine whether an arrangement contains a lease or service agreement. Disclosures are required by lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments in this Update are effective for fiscal years beginning after December 15, 2020. Management is evaluating the impact of this updated guidance on its financial statements.

**ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

During the year ended December 31, 2019, ANJEC implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made*. The amendments in the Update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or and (2) determining whether a contribution is conditional. The Update was adopted on a modified prospective basis. Due to the adoption of this Update, \$222,886 was recognized as additional grant income during the year ended December 31, 2019.

**(2) Investment Securities**

As of December 31, 2019 and 2018, investment securities are as follows:

	<u>Fair Value</u>	<u>Cost</u>
December 31, 2019		
Exchange-traded funds	\$138,972	\$138,395
Equity securities	<u>123,183</u>	<u>122,020</u>
	<u>\$262,155</u>	<u>\$260,415</u>
December 31, 2018		
Exchange-traded funds	\$ 85,385	\$ 95,144
Equity securities	176,453	155,511
Mutual funds	<u>493,078</u>	<u>545,637</u>
	<u>\$754,916</u>	<u>\$796,292</u>

The components of investment income for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Gains (losses) on investment securities	\$119,761	\$ (39,068)
Dividends	10,327	10,959
Less investment management fees	( 3,475)	( 4,618)
Total investment income (loss)	126,613	(32,727)
Less investment return appropriated under the spending policy	( 7,002)	( 6,380)
Investment income (loss) reported as unrestricted non-operating	<u>\$119,611</u>	<u>\$ (39,107)</u>

**(3) Furniture & Equipment**

As of December 31, 2019 and 2018, furniture and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Computers	\$ 30,070	\$ 30,070
Office furniture & equipment	<u>15,349</u>	<u>14,318</u>
	45,419	44,388
Less accumulated depreciation	<u>40,114</u>	<u>35,738</u>
	<u>\$ 5,305</u>	<u>\$ 8,650</u>

Depreciation expense for the year ended December 31, 2019 and 2018 totaled \$4,376 and \$4,701, respectively.

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(4) **Operating Lease Commitments**

ANJEC leases office space from the Morris County Park Commission. For the years ended December 31, 2019 and 2018, rent expense totaled \$11,604 and \$11,354, respectively. Future minimum commitments under the lease for year ending December 31, 2020 are \$11,813.

(5) **Income Tax Status**

ANJEC qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. All applicable returns for the exempt organization are filed in a timely manner. ANJEC is liable for payment of payroll tax as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

(6) **Fair Value of Financial Instruments**

ANJEC's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in Note 1. The table below presents the balances of assets measured on a recurring basis as of December 31, 2019 and 2018.

	<u>Level 1</u>	<u>Total</u>
<u>December 31, 2019</u>		
Money market funds	\$407,914	\$407,914
Exchange-traded funds	138,972	138,972
Equity securities	<u>123,183</u>	<u>123,183</u>
	<u>\$670,069</u>	<u>\$670,069</u>
<u>December 31, 2018</u>		
Money market funds	\$ 33,092	\$ 33,092
Exchange-traded funds	85,385	85,385
Equity securities	176,453	176,453
Mutual funds	<u>493,078</u>	<u>493,078</u>
	<u>\$788,008</u>	<u>\$788,008</u>

Financial instruments are included in the captions on the statements of financial position:

	<u>2019</u>	<u>2018</u>
Cash & equivalents	\$629,226	\$108,499
Investment securities	262,155	754,916

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
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(7) **Net Assets**

Designated

As of December 31, 2017, the board of trustees designated \$20,000 for ANJEC's small grant program. Those designated net assets were expended on the intended purpose during the year ended December 31, 2018. As of December 31, 2019, ANJEC held \$106,405 in grant funds designated for future periods.

With Donor-imposed Use Restrictions

The nature of net assets with donor restrictions, subject to expenditure for specified purpose, is as follows as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Sandy Batty Grant Fund	\$ 2,000	\$ -
Fixed assets	4,886	-
Water initiatives	98,679	-
Storm water utilities	12,500	-
Strategic plan	416	-
Lechner scholarships (see below)	<u>2,427</u>	<u>1,807</u>
	<u>\$120,908</u>	<u>\$ 1,807</u>

Net assets with donor restrictions expended during the years ended December 31, 2019 and 2018 are as follows:

Sandy Batty Grant Fund	\$ 2,000	\$ 1,438
Fixed assets	2,185	-
Water initiatives	201,914	-
Storm water utilities	11,250	-
Strategic plan	3,663	-
Mini grants	<u>2,286</u>	<u>-</u>
	<u>\$223,298</u>	<u>\$ 1,438</u>

The Sandy Batty Grant Fund was established with contributions received with use restrictions to underwrite pass-through grants to municipal environmental commissions for projects that enhance the environment in recipient towns.

Endowment

ANJEC's endowment fund was established to support scholarships and general operations. Contributions to the endowment are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by ANJEC indefinitely, and income from the fund is to be expended for the intended purpose. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The endowment fund assets are invested in a variety of securities as disclosed in Note 2. The Board's investment policy is to maximize return while managing risk.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS  
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ANJEC is subject to The Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted in New Jersey, and therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Trustees has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, ANJEC would consider the fund to be underwater if the fair value of the funds is less than (1) the sum of the original value of the initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instruments. ANJEC has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The endowment fund is not currently under water.

For the Sally Dudley and Candace Ashmun Endowment Funds, the board of trustees uses an annual spending rate of 5% of the average market value of the endowment fund investments at the end of each calendar year quarter in the preceding three years. The Lechner Scholarship Fund's spending is based on available accumulated earnings. As of December 31, 2019 and 2018, the endowment is comprised of the following:

	<u>2019</u>	<u>2018</u>
Amounts required to be invested in perpetuity		
Lechner Scholarship Fund	\$11,548	\$11,548
Sally Dudley Endowment	31,861	31,861
Candace Ashmun Endowment	<u>34,317</u>	<u>34,317</u>
	<u>\$77,726</u>	<u>\$77,726</u>

Accumulated investment earnings, available for appropriation

Lechner Scholarship Fund	\$2,427	\$1,807
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Endowment net assets expended during the years ended December 31, 2019 and 2018 are as follows:

Lechner Scholarship Fund	\$ -	\$1,200
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The Lechner Scholarship Fund's earnings are used to fund a bi-annual scholarship. The Sally Dudley and Candace Ashmun Endowment Funds' earnings are used to support annual operations.

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(8) **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 629,226	\$ 108,499
Investment securities	262,155	754,916
Accounts receivable	<u>76,184</u>	<u>40,116</u>
Financial assets	967,565	903,531
Less:		
Board designation	106,405	-
Net assets with donor restrictions	<u>198,634</u>	<u>79,533</u>
Financial assets available for general expenditures	<u>\$ 662,526</u>	<u>\$ 823,998</u>

As part of ANJEC's liquidity management plan, cash in excess of daily requirements is invested in interest-bearing demand deposits, money market funds and mutual funds.

(9) **Subsequent Events**

Coronavirus

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which has spread throughout the United States. On March 21, 2020, the governor of New Jersey declared a health emergency and issued an order to close all nonessential businesses and activities until further notice. As of the date of these financial statements, ANJEC is operating primarily in a virtual capacity with staff working remotely. This health emergency could impact donors' ability to make donations. The overall impact on ANJEC's operations, earnings, cash flows and financial position cannot be reasonably estimated as of the date of these financial statements.

CARES Act

In response to the coronavirus pandemic, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) which provides direct economic assistance and loans to business entities. In May 2020, the ANJEC received a loan of \$129,745 under the Paycheck Protection Program (PPP) which is a component of the CARES Act. If certain criteria are met, all or a portion of the loan may be forgiven. Management expects to meet the forgiveness criteria for the full amount and recognize the loan balance as income during the year ending December 31, 2020.

Investment

As a result of the coronavirus pandemic, ANJEC's investment securities have experienced market fluctuations in 2020.

ANJEC has evaluated the need for adjustments resulting from subsequent events through November 12, 2020, the date the financial statements were available to be issued. Based upon this evaluation, no adjustments or additional disclosures were required to the financial statements as of December 31, 2019.